Interview with Milton Barall

The Association for Diplomatic Studies and Training Foreign Affairs Oral History Project

MILTON BARALL

Interviewed by: Charles Stuart Kennedy

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Q: I wonder if you could give me a little about your background, kind of where did you come from?

BARALL: I was born on Madison Avenue, so I don't have to say what city. Lived the first thirty years of my life in New York. I'm a graduate of City College, from which I got a bachelor's degree and a master's degree.

Q: In what subject?

BARALL: Romance languages and education. I went, the day after I graduated, to France, as a graduate student, and really learned the language that I hadn't learned adequately in college. And then I came back and took the teaching exam and taught French and Spanish in high school.

Q: What were the dates of this?

BARALL: The bachelor's degree was January '32. I went to the University of Grenoble (France) for six months and got a certificate which contributed toward a master's degree. That was in June of '32, and in June of '33, I had a master's degree in education. I took

the teaching exam, which was very difficult at that time, and passed it high enough to be appointed immediately. And that was an achievement in the Depression years. While teaching, I also took a Ph.D. at New York University. I had the doctorate almost completed when the war started, and then I was off in the Army for almost five years.

Q: What were you doing in the Army?

BARALL: I had been a Reserve officer at City College. Although we had lots of protesters against the ROTC, it was the largest voluntary ROTC in the country at the time. So I graduated with the potentiality for a commission. I had to wait until I grew up and became twenty-one and got my commission as a second lieutenant. I stayed in the Reserves.

By the time the war came along I was a captain, and I was called to active duty. I was an infantry officer. As was typical, I was supposed to be called to active duty with the 77th Division, but instead I was called individually and sent down to Puerto Rico to serve in the Army Air Corps. On Pearl Harbor day, I was commanding a squadron. After six months, the need for people who could read and write, in the Air Corps was so great that I was made executive officer of the entire base, Boringven Field, which was very important in the war. It was the first stop overseas on the route to build up Northern Africa.

Q: Oh, yes, this was the famous route that went down to Brazil and then over to Dakar and then across that way.

BARALL: That's right, we were the first step. First overseas flight for a lot of those pilots. We shepherded them. We had one guide and 50 planes following him. And they were scared. We had a fleet of crash boats to go fish them out of the drink if they went down. They thought that the B-26, for example, couldn't fly on one engine. It could. But they were scared.

After awhile, the war moved on. After the invasion of southern Europe, I was transferred to Europe in a very interesting assignment, at the SHAEF (Supreme HQ Allied Expeditionary

Forces) Mission to France. This was the Anglo-American military- diplomatic headquarters group that was working with General de Gaulle and his government-in-exile. We had the capability of sending people into France to find information for us. When de Gaulle moved to Paris, we moved to Paris.

My job was working on displaced persons, French and other civilians captured by Germans and used as forced labor—or volunteers who worked in Germany. We finished that part of it and I was sent on into the military government in Germany. But by that time, I had been overseas almost all of the war, so, when they started sending people home, I was one of the first to go.

I kept my interest in the Army, and I'm a retired colonel.

Q: But you really had quite a dose, the equivalent to Foreign Service type work in your military time, didn't you?

BARALL: Yes, even in Puerto Rico. Everybody important coming or going to Europe had to come through there. For example, General Giraud, who was co-president with de Gaulle. We got a message from the president, whom he was invited to call on: “Hold this guy for three days, the President's not ready for him yet.” So I spent three days looking after him, all in French. That was an interesting experience, because he was a very senior general and co-president. When we got to France, I went and looked him up in Clermont-Ferrand where he lives, just to renew the acquaintance.

Q: What brought you into the Foreign Service, and how did you get into it?

BARALL: A friend of mine told me that the Manpower Act had come into being. I had not heard about it directly or read about it. It occurred to me that that would be a very nice change from teaching. It's the kind of program that was successful only at that particular juncture, where you had a lot of people who had returned from the war, or from wartime jobs which were phasing out, and were free to change their careers.

I had always thought about being a diplomat, in the '30s, but there was no opportunity. No exams were given. If an exam was given, your chances of passing it were zilch. If you passed it, your chance of being appointed was zilch. So I fulfilled a youthful ambition. I entered the service very late; at age 37. Of 6 classes, I was at the bottom of Class Five.

Q: So you came in when?

BARALL: In 1948.

Q: Did you get any training before you went out?

BARALL: Just a little bit, a six-weeks training course at the Foreign Service Institute, or whatever it was called at that time.

But we were all honored because General Marshall, as Secretary of State, came to swear our class in. And he said something wise that I'll never forget. You gentlemen are all diplomats now, and you have diplomatic immunity. I want you to behave yourselves. If you commit any crimes, I'm going to waive your diplomatic immunity.

I thought that was exactly the right thing to say.

Q: Here you were, you'd been around, you're an older person and all, what was your impression of the bulk of the people coming into the Foreign Service classes in 1948, and of the State Department and all that?

BARALL: Well, the training class I was in was largely people like myself, older and with other experience, although some of them had been in the State Department and just transferred to the Foreign Service this way. John Steeves, for example, who became Director General of the Foreign Service. A lot of us had military backgrounds. Two of them were graduates of Annapolis, and West Point. They quit their military careers to go into the Foreign Service. So I felt quite at home with those fellows.

But then, when I was assigned to my first post, I discovered I was about ten years behind the average. That seemed unfair to me, because entry class into the Foreign Service was based on your civilian salary. I had gone back, very briefly, to teaching, which was not a very well-paid profession. But I had already been a lieutenant colonel in the Army, and that was fairly senior. So I said to myself: “Well, this is a highly competitive system; how are those young kids going to compete with me?” Turned out right, because I went from Class Five to One in twelve years and caught up to people of my age.

Q: That's very good. Boy! Well, now, your first post, I have you being in Santiago from 1948 to '50. What were you doing?

BARALL: I was administrative officer there. I was pleased to be a section chief, as a low-ranking Class Five officer. I thought it was an excellent way to start in the Foreign Service, because if you're going to learn what an embassy does, being the administrative officer is a very good way to do it.

Q: Also, this was playing to your skills, too, wasn't it?

BARALL: Yes, that was easy for me.

Q: How did you find, say, military administration and State Department?

BARALL: It's a little different. That was the time when you could write your own vouchers and things like that in the Foreign Service. I had been an expert in squadron administration in the Air Corps. Also, I was made Executive Officer of the airbase without being a flying officer, but that was because I could read regulations; see that they were followed precisely, and check up on people. I enjoyed the administrative assignment in the Foreign Service.

Q: What was the situation in Chile when you were there?

BARALL: Chile was a great country at that time. It had an elected president, who happened to be a very decent man, middle-of-the-road, nice wife who was selected internationally as “Mother of the World.” They changed the government by elections. Chile was one of the few countries of Latin America that was considered to be a real democracy. I think the democracy lasted all of thirty years. That was a good record at the time, compared with the overthrows in other countries.

So that was a good time, and we had a real good democrat, Claude G. Bowers, as the ambassador.

Q: He'd been there a long time, hadn't he?

BARALL: Yes. With his service as Ambassador to Spain, followed by Chile, he was able to retire, the same as a Foreign Service Officer, with over 20 years of service.

After my assignment to Chile, when I was desk officer, I heard that the head of the FBI, J. Edgar Hoover, thought that Bowers was too much of a liberal, and he tried to have President Truman fire him. I understand the memo went back to Hoover saying: “Mr. Bowers will remain as ambassador to Chile as long as Mr. Bowers desires. H.S.T!”

Q: Well, Claude Bowers, if I recall, has written several books, hasn't he?

BARALL: Yes, he was a major American historian.

Q: A very well-known figure. Well, what was your impression of how he dealt with the Chileans and the embassy and all this?

BARALL: I had a very funny experience due to my military training. I had been at the Embassy about a week when a message came from the Secretary of State saying that the Ambassador's locally employed social secretary was the wife of a Japanese collaborator, and she was to be fired immediately. As administrative officer, I was in

charge of personnel and could hire and fire local employees. So, I obeyed the orders signed SECSTATE and fired her!

Soon, I was called into the officer of Ambassador Bowers, who said to me, “Young man, I want you to know I am the Ambassador, not you!” Later, he explained that an Ambassador who was a friend of the President (as he was) didn't have to follow orders from the Secretary and sometimes had other alternatives.

But he never held it against me. We became very good friends. He used to call on me to do some translating for him. He deliberately didn't try to speak Spanish. He said, “I'm a lousy linguist. I can understand a lot. I don't want to speak it. I don't want to appear to be foolish.” And he would occasionally tell me, “You don't have to translate this, I understand what they're saying.”

And after I became Chile desk officer and officer in charge of Chile, Peru, and Bolivia, we had a lot of correspondence. At that time the “Official Informal Letter” was a means of regular correspondence between the Department and our embassies. The desk officer used them to give the Ambassador advance information on problems being discussed and to transmit the mood of Washington.

With respect to Chileans, he was not a “hands-on” Ambassador. He didn't want to do everything in the embassy. He allowed Eddie Trueblood, a career officer and a competent DCM (Deputy Chief of Mission), to run the meetings and to keep the embassy moving, which I think is the way that a political ambassador ought to work. I think they all have good career deputies. I was in that job twice, and I felt honored that I was selected to serve with political ambassadors.

In Chile, Ambassador Bowers knew the important people. And though he was not a Catholic and sometimes made fun of Catholics, he was a good friend of the Cardinal, a natural-born leader and a very important figure in Chile. He got along well with President Gonzalez Videla, of Chile. He also got along well with ex-presidents, whom he knew,

regardless of their political coloration. In turn, he was highly regarded and the people of Chile considered him a friend.

You must remember, Claude Bowers was a very experienced politician. He was editor of the old New York World, a very good paper in its day. And in that job, he got to know Franklin Roosevelt quite well. He was at two conventions. At one, he made the keynote address for Roosevelt, and at the other, he made the nominating address.

He was not interested in economics, nor interested in my sideline reporting on the Antarctic. I didn't want to be typed exclusively as an administrative officer, so I asked Eddie Trueblood to give me some kind of reporting responsibilities. So he gave me Antarctic, with all its overlapping chains, saying: “Nobody's in charge of that, so you do all the reporting on it.” And I did.

Q: Well, I can't help but remark that, I think while he was a professor at Harvard, Henry Kissinger is reported to have said, “South America is a dagger pointed at the heart of Antarctica,” showing how people regarded South America. What was our interest at the time that you were reporting on Antarctica?

BARALL: Well, we were just interested. The United States has never set forth a claim, though we and the Russians both go back to 1820 and were the first two nations that did any real exploring in the area. There's a sea named for the Russian explorer, and the United States has legitimate claims to much of the area. Though we don't have a claim, we have bases there, and if we did set forth a claim, we would overlap with the Chileans, the Argentines, the British and a number of other countries. My interest at that time was just reporting on the activity. Both Chile and Argentina were very active in trying to push their claims, and even arguing with each other about who controlled what. That argument is still going on, although they have recently settled ownership of three islands near Cape Horn. For me, it was just a matter of keeping in touch and reporting anything that was happening, if anything.

Q: But you found Chile at that time, with a pro... democracy, quite open and easy to get to?

BARALL: Yes, yes, the legislature and elections and cabinet members, all relatively honest and open and aboveboard.

Q: Well, now, you came back to Washington from 1950 to '54, where you were, what, the desk officer?

BARALL: I was desk officer to start with.

Q: For Chile.

BARALL: Yes. They had six countries then, in what was called West Coast Affairs, and I soon became Maury Bernbaum's deputy for those six countries.

Q: Maurice Bernbaum.

BARALL: Yes, he's on the list of officers you interviewed. After a while it was decided to split the six countries and give him the three northern countries and give me the three southern countries. I had Chile, Peru, and Bolivia, as an officer-in-charge. I was acting officer-in-charge, because I didn't have enough rank to carry this job. They gave me a little differential in pay. The heady part of the job was authority to send outgoing telegrams to three embassies without reference to higher authority. The telegrams ended with the typed name “Acheson” but I was authorized to initial them and send them out. I was still in Class IV of six classes.

Q: We're talking about the '50 to '54 period. Of course, we were very much absorbed in what was happening to the development of NATO, the Korean War, all this. And these were three countries which were about as far as you can get, in a way, from the United States, in the Latin American sphere.

BARALL: Geographically they're far away. Not economically and politically.

Q: All right, well then what was our interest down there, as you saw it at that time?

BARALL: In Chile, we had economic interests, because the biggest copper mine in the world was in the hands of an American company, Anaconda. Kennecott was also there. Chile was, and is, a major copper producer in the world. And those companies were in talking to us all the time. They didn't want to be nationalized, and they didn't want to be taxed out of business. There were always issues like that.

We wanted Chile on our side because, even though it's a small country of maybe ten million (sic) people, it has a lot of influence and is frequently grouped among the leaders. Like Argentina, it has a lot of well-educated people, and thus had influence in Latin America. For example, there is not much leadership coming out of Ecuador or Bolivia, that is, with respect to other countries. But Chile produces people who talk up and exercise leadership. So we wanted them to be on our side.

We had no interest in nitrate, which was the principal product of Chile up until World War I, when it tried to monopolize the world market. The Germans invented a synthetic, and that was the end of that. Chile has the biggest natural deposits of nitrate in the world, used for gun power and as a fertilizer, that Chile tried to have us recognize as superior to the synthetic product. So Chile tried to keep us from helping to build plants that would produce nitrogen chemically, because they thought we were interfering with their natural market. They still had some natural market for nitrate as a fertilizer, not as gunpowder any more. This was an issue they would raise regularly with us. Every time we made an Export-Import Bank loan, for example, for someone to produce nitrogen to be used as a fertilizer, we'd get a complaint from the Chileans.

Q: Well, how would we deal with that?

BARALL: We'd tell them that we have interests, too, and you can't just bend for everything. But we did on some things. For example, when there was a glut of copper on the market, the Chileans and the copper companies both came to us in a joint effort and asked the United States if we would buy copper for the US stockpile. Well, the stockpile happened to be full, and it was a difficult problem for us. But because we had these friendly feelings toward Chile, we took steps and got authority to negotiate with them. Working with the Department of Interior and getting Congressional approval (because Congress has to approve overfilling the stockpile), we got all the approvals necessary to help buy more than was needed for the stockpile and to overfill it. This was after a long and difficult negotiation. When we subsequently sold off some copper from the stockpile we received complaints that we were forcing down the international price of copper. Anyway, the US made lots of money buying copper in a distressed market and selling off the surplus when demand and prices were high.

Q: Was this one of these things where at the end of this you sort of looked at the Chileans and said: Now you owe us one?

BARALL: Well, we felt that way at the time. And they were very grateful, both the copper companies and the Chilean government. They were on the same negotiating team, and the United States government was on the other. They were very grateful to us.

Q: Well, you know, one of the things that is said again and again, and particularly this is for historians, we're looking very much at the role of American economic interests, and here you have, say, major copper companies which are American-owned. How did they deal with you? I mean, how influential were the copper companies?

BARALL: Oh, the chairman of the board would come into my office and say: “Call me by my first name.” They wanted to know me. They had a suite at the Hay-Adams and a couple of elegant gentlemen whose job was to entertain you and tell you what the copper company interests were. They were full-time public relations employees, and when the

chairman of the board came to town, he really wanted to know the desk officer. It was an amazing experience for a junior officer.

I also had an interesting role in this negotiation, because I acted as secretary of the US committee, which included some high-ranking people. But nobody seemed to be in charge of it. I would write up the minutes and circulate them, and arrange committee meetings or sessions with the special Chilean negotiating team. Yet nobody seemed to be able to decide the time had come for us to go ahead. I believe I settled the issue with a few phone calls and memos.

Q: Well, you're saying that the chairman of the board would come and see you and all. In the first place, what was the situation at the time? Were there any sort of restrictions on you, or were people saying: Now, watch it?

BARALL: If there were restrictions, no one ever told me what they were. As a matter of fact, I was surprised at how much leeway I had as a desk officer, and this is something that I think doesn't exist any more. But a desk officer at that time was one man and one secretary, or one man and half a secretary, and you did everything. You did political work, you wrote the national intelligence estimates and policy papers, handled economic negotiations, kept the Assistant Secretary informed, met frequently with Chileans who considered you the principal contact in the US government, etc. You could initiate actions or kill them off. You were the focal point for all actions concerning your country, and people listened to you.

As a matter of fact, the Assistant Secretary...

Q: Who was that?

BARALL: Eddie Miller, a man who knew Latin America very well. I think he was born or lived many years in Cuba, spoke Spanish beautifully, had been a vice president in Dulles's law firm in New York. He was interested in Latin America, and he got interested in Chile.

He would drop in and sit on my desk sometimes and say, “Mike, tell me all about this.” I would say, “Well, Mr. Miller...” He'd say, “Call me Eddie.” This was like a captain in the Army talking with a four-star general—call me Eddie, let your hair down and talk—and this astonished me. I'm sure that that doesn't happen now. I think desk officers in the department now perhaps have never met with the assistant secretaries. In my day, it was possible to do all of this work because you were alone on the job and your bosses were few and very busy. No, with expanded staffs, I believe there are too many people getting into the act and it must be very difficult.

Q: I think so many people have been routed in between. They sort of over-staff things.

BARALL: At that time, when I was an officer in charge, my superiors were one office director, one Deputy Assistant Secretary, and one Assistant Secretary. You didn't have all those other guys in between. And you didn't need so many clearances.

Q: Well, not to belabor it, but to go back because of the interest. How did you see the role of these copper companies, that this was beneficial to both, that this was a good deal for the United States?

BARALL: Oh, absolutely. I thought it was beneficial to both. And I thought it was part of my job to protect American industry. It's so easy for a foreign government to set up special taxes, especially since the industry is virtually controlled by foreign companies. You're not going to lose any votes domestically if you give them a different tax schedule, for example. I thought it was certainly clearly in the interest of both companies, because we were starting to run out of copper. I don't think we produce much copper at all now—if any. The major companies have gone out of business producing here. Eventually Chile did nationalize, but apparently they worked out a deal that was satisfactory to the companies. That would be one of our responsibilities, to try to make sure that they are given national treatment, that they are not treated worse than national...

Q: Did we have any leverage? What was the tool?

BARALL: The United States always has leverage. They wanted Ex-Im Bank loans, they wanted access to markets, they wanted exports to the United States. One of our sayings was: Well, if they're being difficult, you put a slower man on the desk.

Q: As these issues would come up, could you go over and talk within what was then a much smaller department, to sort of get this together?

BARALL: I had a lot to do with the economic area, which is perhaps one of the reasons I ended up in economics. I got good training in international economics in the jobs I had. Some of it came from discussing common problems with officers in the Bureau of Economic Affairs or the Department of Commerce. I could not only talk with other people in the Department, but I could also talk with the Chilean government, through the ambassador, Felix Nieto del R#o. He had been foreign minister. He was a man of prestige, carried some weight in the diplomatic community, and would listen to me. Sometimes he would drop in at the office, which was rather unusual. Normally Ambassadors would see the Assistant Secretary or the Deputy Assistant Secretary or the office director. But we became quite friendly, the ambassador and I, and he would invite me to lunch and talk things over at the embassy. Since he was an influential man with his own government, that was another way to send clear messages to the Chilean government.

But nobody ever told me what to say, or checked on what I said. It was assumed that I knew what the policies were and that I was transmitting them. As far as I know, I was.

Q: Well, what about the other two parts of this? In the first place, Bolivia. What was our interest in Bolivia?

BARALL: We had sort of the same kind of deal in Bolivia. But before that, there was a real fundamental revolution in Bolivia, in 1952. A man named Paz Estenssoro, who was living

in exile in Argentina, was elected president. Siles Zuazo, the man who ran the revolution within the country became the vice president and subsequently, President.

But we had a problem of recognition. One of the problems was the Congress (this was the McCarthy era), and a question of whether you could recognize a country that was in the hands of a really revolutionary, labor-oriented government which disarmed the military and gave the weapons to the labor unions. It looked like mob rule to this country.

Furthermore, we had a visit from a Bolivian named Pati#o. Pati#o was one of the big-three tin mine owners. The tin mines were owned by foreigners who feared expropriation by the new government. Pati#o, with a group of people, came to my office and said, “If you people recognize Bolivia, we're going to denounce you to the McCarthy Committee.” That was a real threat.

And it was a double threat, because Eddie Miller, the Assistant Secretary, had received a letter from Paz Estenssoro personally, and in that letter, Paz said, “I am a Marxist, but you can trust me.”

Q: This, at that particular time, was...

BARALL: Eddie Miller said: You know, if we recognize this government, and somebody produces a copy of this letter, then we could be in trouble.

But we cogitated over it, and wondered, and decided that we'd take a look at the people and see what they do. And after awhile I went to Eddie Miller and said, “For once, let's bet on the people. Let's recognize them.”

He said, “Ok.” And we recognized.

Q: Really?

BARALL: Yes. Even Sullivan and Cromwell, which was not known as a very democratic law firm, at least at that time.

Q: It was the New York law firm which Secretary Dulles came from. Well, now, this is very interesting. How did you feel? I mean, the McCarthy period was going on and all of a sudden you had this thing. Did you do anything to clear it with Congress, or to explain what we were doing or anything like that?

BARALL: I myself didn't. I assume that Eddie Miller had to do that kind of thing. He set the wheels in motion. We have a congressional relations bureau, as you know, and those are the guys who get saddled with the problem of softening up the Congress. I didn't have to do that, because once the Assistant Secretary made up his mind, he set the wheels in motion. If things went wrong, he would take the heat. I thought he was courageous and that he did the right thing in spite of McCarthy's slanted hearings.

Q: Did you have a feeling when this went on that at any moment you were going to be sitting before Senator McCarthy?

BARALL: Somehow I wasn't scared at all. I had the feeling until many years later that one had to believe the Department's statements that it wanted aggressive officers who gave their honest opinion, and they would not be penalized for it. And it's true, I was not penalized for it—but neither did it reach McCarthy! As I said before, I would not bear the brunt.

Q: As you looked at this change in the Bolivian government, what were you looking for that would sort of help make up your mind?

BARALL: Well, you know, you've got classic things like: Are they in charge of the country? Are they willing to live up to their international obligations? And they gave us those

assurances. We didn't do this lightly. It wasn't a matter of days, it was a matter of months that we fiddled around.

Q: How was our embassy? Were they watching? How were they looking at it and what were they reporting?

BARALL: I think they were reporting that they had access to Paz Estenssoro, and that they could talk with him and he seemed to be a reasonable man. But I don't recall specifically that they ever made a recommendation about whether we should or should not recognize.

Q: Did we have any American economic interests in Bolivia?

BARALL: We had an interest to having access to tin, because that's something we don't produce. Regardless of the ownership of the tin mines, a lot of the tin came to the United States. Bolivia is a very important mining country. It's got other mines, too, including uranium. And I think we were interested in maintaining good relations with them. Later on, at the request of the Bolivian government, we negotiated and finally bought its tin for our over-stocked stockpile. As was true for Chile, we could not avoid making a large profit when we sold off the surplus at a time of shortage, and therefore, high prices. Still later we supported creation of a mechanism to establish floor and ceiling prices, internationally, for tin.

Bolivia is one of the poorest countries in Latin America. Those who live up in the Altiplano are great big barrel-chested people, and the ones who live down on the plains are skinny little people, because of the oxygen. The capital is something like 12,000 feet high. We were interested in Bolivia as a country that we thought we ought to be helping in some way because it was so backward. It's a very Indian country, full of illiterates. But the minerals that it contains were of interest to us. At that time there was no drug problem, so we weren't worried about coca, although the people there produced and chewed coca to

keep the pangs of hunger under control. It is hard to think of a time when Bolivia had good government.

Q: Again, we're trying to recreate the past. How did we feel about the "Soviet menace" at that time? I mean, here was a man who is an avowed Marxist and all that.

BARALL: Well, I think at that time the Soviets weren't really all that active. This was way pre-Cuba. They had their own problems in the post-war world: the Berlin Wall, and how do you get along in four-power control over things? So our problems with the Soviet Union were related to Europe at that time. They were not all that active in Latin America. We did have a Soviet scare in Guatemala in 1954, but that's about the first real one that I can remember when we were afraid that the Soviets would move in. Well, they weren't really trying.

Q: Here is something that is often overlooked. Everybody zeroes in on the Eisenhower period in Guatemala, and yet you had something that certainly could have been called the same thing in a way, although it was home-grown, but it could have been played up. I mean, here was a man who was an avowed Marxist—whatever that means.

BARALL: Oh, that's right. If McCarthy had that kind of information, he could have blown it up into a major incident.

Q: But everybody looked at it, they knew what they were dealing with, and took it and went ahead and...

BARALL: We took the risk, and there was no repercussion. Not McCarthy or any other. There wasn't any Jesse Helms at the time — fortunately.

Q: Jesse Helms being an extremely conservative senator from North Carolina (we're talking about the 1980s, 1990s), who plays some of the same critical role that other

people, including Senator McCarthy, did in the earlier period. Well, you had a triumvirate. Now, the third one, Peru. What was the situation there?

BARALL: Peru was relatively quiet. I think we had one of those nice quiet dictatorships where nothing happened. We had occasional problems with American tuna fishers down there, fishing in waters that the Peruvians claimed were theirs. But these were minor incidents, and I think they've been going on forever. We also had a long-standing problem of American-owned oil lands. But Peru was easy for me. Most of the problems were handled by the desk officer. I didn't have to do much there. But Bolivia was a real job.

Q: Oh, I'm sure. Very interesting. Well, in 1954 you were assigned to Haiti as the deputy chief of mission, and you served there until 1956.

BARALL: Right, I was a Class Four officer and a second secretary. I think they peeked at the promotion list, because they sent me down as a first secretary. About two months after I was there, the promotion list came out and then I was a Class Three officer.

Q: Class Three at that time was about the equivalent to colonel.

BARALL: That's right. There were no deputy chiefs of mission below Class Three, so this was a really very early promotion in jobs. Not necessarily in salary.

Q: How did you get the job?

BARALL: I didn't ask for it. I had been in Washington for four years, which was a long time, and it was time for me to go abroad again. They were considering me for a variety of jobs. I had developed a lot of what they recognized as political competence as a desk officer there, and as an officer in charge, and I knew the senior people. Inter-American Affairs was a bureau where we all knew each other, at that time. It's so big now that I don't think they can know each other. I didn't think I was in line to be a DCM anywhere, because I

was still junior in rank. But I was fluent in French and, apparently, had demonstrated the ability to deal with a variety of problems. And maybe someone up there liked me.

Q: The ambassador there was Roy Tasco Davis, who was a non-career ambassador. What was his background, and how did he use you, and how did he deal with the relationship?

BARALL: In about 1920, he won Missouri for the Republicans. As a reward, he was made, at that time, Minister to Costa Rica and another country in Central America. And apparently he was very good at it, at that time. He was sort of a homespun philosopher, a Will Rogers type. He had been, for some years, a college president. Not a great college, but a college president. And he was an attractive man at that time—at a time when we had no major problems in Latin America. He got along well with people, and I understand that he spoke Spanish.

When the Republicans came back into power with Eisenhower, they wanted to reward this man, a good Republican. So, as a retread, in the 1950s, he's brought back and sent to the wrong country at the wrong time. He didn't know any French at all, and that was the official language of the country, though most of the people spoke only Creole. Ambassador Davis had good common sense, was gentlemanly, if not courtly, and was wise in public relations. But he was a fish out of water in Haiti.

Q: The language was Creole.

BARALL: Ten percent of the people speak French and the rest speak Creole, and most of them are illiterate. And I don't know how you're going to make people literate in any language if they don't have a written language and they're illiterate anyway. That's another point.

Ambassador Davis rarely told me what to do though I tried to keep him informed of what was happening on a daily basis. He was interested in knowing the important people

because he was a politician. He knew the president. But he never questioned the motives or actions of the president.

Paul Magloire was president at that time. He had taken power through a military junta. But he was then the sole survivor of that junta. For Haiti, he was a pretty good president. The people would say: We're accustomed to presidents who steal, but they must leave something for the people. And he was smart enough to leave something for the people.

So Davis wanted to know the president and members of the cabinet and whatnot. But he did not try to talk about anything serious with them, like issues that might arise between the two governments. He was in favor of supporting and aiding the Haitian people, and that was one of his Will Rogers ways of being popular. He sought popularity, and he was popular, because the people knew him.

Q: Well, here you are, the deputy chief of mission. Here is a man not only with political clout but also an older man, a man whom you could respect in other things, at the wrong place, wrong time and all. How did you deal with this?

BARALL: Well, he wasn't difficult to deal with, because he didn't have an awful lot of interest in what was happening, in the kinds of things that we report. I wrote the whole Weeka, for example, with no input from the Ambassador and only occasional paragraphs from the economic section.

Q: A Weeka being a weekly report.

BARALL: A weekly report that was then a major reporting instrument, from every embassy, of what happened in the past week. We covered political, economic, and everything else. I occasionally asked our economic man whether he had any information, but otherwise I wrote the whole thing myself. And I would send it in through the ambassador. Almost invariably he just initialed it and sent it on. In other words, I gave him an opportunity

to check or change or do anything he wished, but he didn't seem to be interested in controlling what I would consider normal embassy activities, which were left to me.

Q: What were American interests there, from your perspective, during the '54 to '56 period?

BARALL: Well, it's an impoverished country, and everybody wanted to help the poor people. How you help them I don't know. We had a very big AID program. We had about half a dozen people in the embassy, and we had an AID mission of 36. Curiously enough, one of the people who worked for that AID mission was Papa Doc Duvalier, who was a legitimate MD and a public health physician. We used him in that capacity as a public health technician.

By the time I arrived in Haiti he had gone into exile because he had political ambitions. But the chief of the AID program, and a lot of other people who knew him, believed he should be president, because all he wanted to do was help the poor black people who were undernourished and ill.

The political problem in Haiti is the constant struggle between the blacks and the mulattos for control. There is an aphorism (which probably comes from Africa because you can hear the same aphorism in Brazil) that says: “A rich black is a mulatto, and a poor mulatto is a black.” Color was the important issue in Haiti. A Frenchman wrote a book about the 79 different shades of color found in Haiti.

I had a wonderful cook, who was not literate, but she spoke English very well because she'd been cook for American families for about 30 years. She would ask who was at the party last night, and I'd tell her, and she'd say, “Well, I never heard of him. Is he a black man or is he my color?” I thought she was black.

But the Haitians themselves were interested in graduating people, how they fit with respect to color.

The US was interested in improving the lot of poor Haitians though the government was not. We also looked after American interests in the major sugar refinery and in sisal plantations. The US also financed a large multi-purpose dam in the Artibonite.

Q: During the Henry Christophe period, or Toussaint-L'Ouverture, I think, the United States helped put down a revolt of mulattos against the blacks who were in control at that time. This was in the 1800 period.

BARALL: Well, it was after Toussaint-L'Ouverture. I think you're talking about the time of independence, when they started with two separate parts of Haiti. One was run by a mulatto general named Petion, , the other was run by Christophe, a black. And that was around 1804, when they became independent.

We did have some small business investments and we wanted them to keep going because they provided jobs. The big problem in Haiti was class, and we didn't know how to cope with that.

We had occupied the country for 19 years. A man named Herres was still there. He was a sergeant in the Marines. His job was supervising the bank, and he learned so much about it that he was paid by the Haitian government to keep on working in the bank. He tried to keep them honest, but they had a mechanism that made it impossible. They had, and they still have today, something called non-fiscal receipts. This was money received from taxes on common things like salt and matches, that went into a separate account controlled by the President. They never were fiscalized, were never put into the accounts, or the budget, or received by the state as revenues. It was available to the president. Some of it went into his personal account, and some into other things.

Q: How much control did we have?

BARALL: At that time we had no control. The occupation had ended with Roosevelt, in 1934, with his Good Neighbor Policy. We had some controls because we could raise

or lower the amount of aid that we were giving them. And some of that aid was very important. The big dam financed by the US Export-Import Bank was supposed to create lots of agricultural land, hydroelectric power, irrigation, water in homes. We were putting a lot of money into loans and some grants. We were also an important factor in road repair and things like that. Because of the climate and the rainfall in Haiti, maintaining a road is almost impossible.

Q: How could we use this leverage? What were we trying to use it for?

BARALL: Well, we couldn't use it to interfere in internal affairs and tell them to stop stealing. I don't think anybody could have done that. We could have a little bit of influence with the president or with the secretary of commerce or others. But our problems were not major.

The only fairly large American investment was in the sugar business. The company had land, and they planted it with sugar cane. Then they processed the sugar cane and made sugar and exported it to the US. We rarely had any problems because the head of the sugar company had been there for 30 years, was respected and he knew all the politicians. And whatever he did, pay them off or whatever, he was a good enough public relations man that he almost never came to the embassy for help. He always wanted to know us, of course, in case he needed real help. But in the two years I was there, we were not called upon. He took care of things himself and was a major employer of labor—mostly with few skills.

We wanted Haiti to be a democracy. The last thing we did, before ending the occupation, was run perhaps the only honest election in that. And a good president was elected.

But after the US forces left, things just disappeared. We had a very good agricultural experimental station and a very good hospital. Shortly after we left, the hospital was looted, the equipment taken out. At the agricultural research station, whatever equipment they had was taken, food was taken, or whatever they were producing. Experiments

were abandoned and they went virtually out of business. They tried later to reestablish the agricultural experimental station under the Haitian government, but it never became important.

I had a very funny experience in Haiti. I don't know, whether history would have been different if I hadn't been transferred to the National War College. I told Ambassador Roy Tasco Davis that he really ought to try to do something with Magloire, who was a popular president compared to most others. He was not all that brutal. He got his share of the loot, but he was relatively decent compared with others who have run Haiti.

I suggested to the Ambassador that we have a little visit with the president and see if we can't convince him to run an honest election on the grounds that if he did so, he would go down as a great man in the history book of Haiti. He could be the President who established Haiti as a democracy forever. (At that time the president served a 6-year term and could not succeed himself.)

Davis was against that. He didn't think it was proper for the US to influence the government. I nagged at him for awhile, and finally he said all right, he'd go. We made the appointment. We went to the palace. And since he didn't speak French, I did the speaking for him. Magloire spoke a little bit of English but not well. The President and all the cabinet, of course spoke French. So I made the pitch and translated for the Ambassador what I was saying, so that he followed the whole thing.

Magloire finally said, “I will do that.”

I said, “What a wonderful promise. You will never be sorry, Mr. President.”

Soon thereafter I was transferred to the National War College. I think I would have stayed on happily in Haiti for a few more years. But I wasn't going to give up the National War College, because I was at the upper limit of the age when you could be admitted. I think,

46 was the maximum age at that time, and I was 45. I wanted to go to the National War College.

After I was transferred, I think both the President and the Ambassador forgot that little meeting, or didn't pay any attention to it. Roy Tasco Davis didn't really want the President to step down. He thought he was running the place pretty well, even if he didn't seem to have great devotion to democracy.

But an election was held about a year after that. Magloire was unable to keep himself in power. And in that election, it was Duvalier who was elected president. When he showed his real hand, he was not very much interested in helping the poor blacks but in exploiting them, it was too late to do anything. He knew the techniques for maintaining control.

One other thing. We had a visit from Vice President Nixon. He went to the Dominican Republic and Haiti. I flew to the Dominican Republic as the advance man, and briefed him on the short flight from that country to Haiti. Then I translated for him on a national hookup, which was about four stations. Arrival statements and so forth. The Foreign Minister and the Vice President both had statements, so I translated both ways, simultaneously. I also did a whispering translation for the Vice President when he met the President. I was kneeling behind and telling him what was said.

After the call on the President, the director of Middle American Affairs, and the Assistant Secretary of State, drew me aside and asked; “What about Roy Tasco Davis. We've been hearing some stories about him. Should we replace him?” That's a hell of a thing to ask of a DCM.

My answer was, “Well, I don't know, he's got some problems, but he's pretty popular here. He doesn't cause any major trouble. I think I can handle him. Leave him here.” They took that advice.

Q: Well, then, you went to the War College from '56 to '57. And then you went to, you might say, the big leagues, or the bigger leagues. You went to Madrid as economic counselor, where you served from 1957 to 1960. It seems like a logical assignment. Did it please you?

BARALL: Well, I got interested in politics in the 1930s because of the Spanish Civil War, which was a big, big issue in New York City, with the Herald Tribune on one side and The New York Times on the other side.

Q: Which side did you take at that time?

BARALL: Well, I think I read the Herald Tribune, but I was on the Republican side. That is, I could not be in favor of Franco. Franco had been so damned by Herbert Matthews, and other people writing in The New York Times, that he was considered to be a terrible ogre.

When you graduate from the National War College an officer comes over from the personnel department and says, “Well, here, we're going to talk about what your next assignment is, and we're going to give you some choice. And here are the four jobs that are open.” One of them would carry the rank of minister, as US representative to UNESCO.

I said, “Well, that sounds good.”

But the answer was, “You don't really want that job!”

I went through all those three jobs that I thought they were offering me, and he'd say, “Well, that's not a good job for you. A good job for you is Spain.”

I said, “I've never been an economist.”

He said, “There's an awful lot of economics in your political reporting, so we know you can do it.”

Well, I had had some government economic experience in Latin America. We didn't have major political problems with the countries that I was dealing with, there was a lot of economic activity. So they finally said, “That's the job for you.”

It was an interesting job, because it combined being the embassy's Economic Counselor with being the Deputy Director of the AID mission. And that put me in the position of coordinating and controlling the two activities.

The Director of the AID mission was a political appointee, a classmate of Ambassador John Davis Lodge at Harvard. He was a theatrical producer, president of the National Theater, had been married to Gertrude Lawrence. He was there as a friend of the Ambassador and as a good PR man. He wasn't terribly interested in running a mission, though he followed events, was interested in knowing the key government officials, and in general, helping to make the mission successful.

Q: It doesn't sound like a very good, professional AID person, somebody who's in the arts.

BARALL: He was there to satisfy an Ambassador who had a lot of political clout. Lodge and Nixon had been junior first-time members of the House together; they were the founding members of the Chowder and Marching Society.

I want to say this. Lodge had a lot of critics, too, but he was the right man, right time, right place in Spain at that time. Because Spain was run by Franco and a handful of people, a lot of them aristocrats, with whom John Davis Lodge felt quite comfortable.

Q: This was, of course, the Franco regime. It was well-established, and he was at the height of his powers, too.

BARALL: Yes. And he had, curiously enough, a cabinet that was full of technocrats, people who were not political. I was informed that Franco didn't interfere with them. They were said to be all Opus Dei, or the principal ones at least were said to be Opus Dei. We evidently didn't know much about it, and we still don't know much about Opus Dei.

Q: Could you explain what Opus Dei is. It's a work of God, isn't it?

BARALL: Opus Dei is supposed to be an organization of sincere, good, practicing Catholics, who believe that you do God's work out in the world in a regular suit, not with a reverse collar. They were very competent technocrats. But it was hard to know some of them well and our reporting on them, in the files, was sometimes inaccurate.

For example, I had read about the Minister of Commerce, an important man there because he controlled the exchange rate and could favor certain imports or exports. Before I met him for the first time, I read in the files that he was abstemious, very sober, didn't smoke and was perhaps the head man of the Opus Dei. The first time I met him, at a luncheon, he had two martinis and he smoked almost incessantly. Because the AID Mission allocated some 200 million dollars per year as economic assistance to Spain, in part for the use of very important air bases, I dealt fairly often with Cabinet members such as the Minister of Finance, Commerce, and my counterparts in the Foreign Office.

(It was a big secret that we had nuclear weapons on our B-52s. But after one of them dropped into the ocean, much after my time we couldn't keep it secret.) So our AID program wasn't just eleemosynary, we were getting quid pro quo. We had the airbases, one of them just right outside of Madrid. And we were building a major naval base on the Mediterranean, at Rota.

Q: What's the name of the airbase?

BARALL: Torrejon, near Madrid.

Q: We want to come back to the bases, but first let's talk a little about the relationship in the embassy. Did you find it difficult running the AID mission? I mean, you had a putative boss who was more a sidekick of the Ambassador.

BARALL: And he had the rank of Minister.

Q: And he had the rank of Minister, which I guess was the real reason why he was given the job, wasn't it, because he wanted to have a high rank? And particularly in those days, the AID man in a major country was often a rival to the ambassador. In this case I don't know so much if it was.

BARALL: There had been a lot of rivalry, actually, in many countries, at the time of the Marshall Plan. Because sometimes those in charge of aid were not subordinate to the Ambassador, and could just go about their business. Some, like Harriman, could report directly to the President.

Q: I know, I was in Greece and heard rumblings about what had happened early on there. How did you find that this worked? There was an awful lot of administration responsibility. Was this difficult in that scenario?

BARALL: No, it wasn't difficult at all. It was clear, first of all, that I was in charge of all economic reporting, and nobody ever tried to interfere with that. So I had the economic side of the embassy all to myself. I was the Economic Counselor. Nobody else supervised me in that job except, theoretically, the DCM and the Ambassador. On the AID side, I think Richard Aldrich and I really became good friends. Once again, as I had done with Roy Tasco Davis, anything I sent in on the AID side went through him. I never bypassed him, but he allowed me a lot of leeway. I worked with the program officer and the other people in the AID Mission, regularly. And I was very pleased to supervise the work of the AID staff and work on the budget and the allocations of funds because that gave me access to a lot of people. It also helped my economic reporting.

The economic and aid programs were major interests in Spain when, under Franco, there was little or no political activity. So I felt I had a key assignment.

Q: I found this. I had served as consul general at a number of posts, and often people would come to me because I was dishing out visas for their relatives. They were far more interested in that than just talking to somebody on the political side.

BARALL: So I really had no problems. It worked out very well, and I got into a big negotiation, a three-way negotiation. I think I did my best work for the US government in Spain.

Lodge was interested in big issues. He wanted to get Spain out of isolation and into the world, to be part of Europe. He wanted to get them into NATO. And he wanted them to start being economically competitive, stop running things out of ministries and whatnot and get some competitive enterprise. And I think that was exactly the right kind of position for the US ambassador to take.

It's difficult under someone like Franco because he controlled everything. But I didn't have any evidence that the ministers on the economic side—minister of finance, minister of economy, minister of commerce—had to go to Franco with everything. They seemed to have lots of leeway, so long as it was not anything that Franco was interested in, and they were doing good things for the economy.

This idea of having Spain as part of Europe led to talk about a three-way deal between the government of Spain, the International Monetary Fund, and the United States government, in which Spain would modernize its economy and they would get a standby loan from both the United States and the International Monetary Fund. The key action was going to be the devaluation of the peseta.

Q: Peseta being the national currency.

BARALL: The assistant director for Europe of the International Monetary Fund came regularly to Spain, and he would talk to officials. He would drop in on the embassy and tell me what he'd heard; I'd tell him what I knew about the thinking in the Spanish government.

Eventually we got to the point where the Minister of Commerce told me privately: “I am going to devalue. And I'm going to deny it until the day I do it.” Which is exactly the right policy, because people can make an awful lot of money, as you know, on currency exchange if they know it's going to be devalued.

I was so scared of that information that I telephoned it in from a public booth out in the street. I didn't want anybody in the embassy to know that, even the Ambassador, who was not strong in economics and might have revealed it inadvertently. The Ambassador knew everybody important, spoke Spanish fluently, was very attractive, gave great parties. But I didn't think that he could exercise the restraint necessary not to tell his relatives or friends. I also respected the secrecy of the information the Minister of Commerce had provided.

Q: Oh, boy. Oh, boy. Well, who did you let know?

BARALL: John Leddy in the office of Under Secretary for Economic Affairs Dillon. I had met Dillon. He and Senator Fulbright visited Spain to look around. They wanted to play golf, so I borrowed some golf clubs. They took off their coats and ties, they were wearing suspenders and regular clothes. I scrounged some shoes and we went out and played golf. And that was a great time to talk about economics.

I developed a most great admiration for Dillon, a non-career man who had been Ambassador to France. He had great insight about international affairs in part from his family's famous vineyard in France. He asked direct questions, and he knew what he was talking about. He evidently developed some respect for me through our post-golf talk. We were playing informally and had a beer afterwards. It was a wonderful chance to talk. I had never sat and talked at length with an Under Secretary before.

I think it also ruined my career, because when he went back and they were looking for an economist to help with what became Kennedy's Alliance for Progress. Mike Barall was the guy...

This is a digression. John Jova was then a personnel man with Loy Henderson. He wrote to me and said I was to be transferred to the Department as Deputy Assistant Secretary for Latin America, the first one on the economic side. You can fight it, he said, but it's been approved by Dillon; Tom Mann, who was Assistant Secretary; and a skillful and respected Director General of the Foreign Service, Loy Henderson.

Q: But to go back to this. Here is something where you've got something very hot. I mean really hot. In other words, the beginning of wars and all, this is interesting. But the actual news that the country is going to devalue, I mean people can made big bucks, or big pesetas on this. Can you even tell your people at the embassy?

BARALL: No one. I told no one, not my wife or anybody.

Q: Why would he tell you this?

BARALL: Because he knew I was talking for the United States in this particular problem of trying to work out the three-way deal with the United States, the International Monetary Fund, and the government of Spain.

Q: This is a minor thing, but how would you tell Dillon over the open line?

BARALL: Well, I didn't tell Dillon, I told John Leddy. There was no evidence of censorship. It was a public booth out in the street. They had gone to get John to answer. I'm sure I talked around it. I could write, you know, official-informal or something like that. John Leddy had been there, he knew what the deal was, and he talked with the assistant director for Europe of the IMF, just as I did. I knew that he would tell the Assistant Director of the IMF, and Dillon but probably no one else.

Q: Well, here you've got a man that you felt was doing the right thing, and took an interest in politics in the country, and was trying to get Spain into NATO and the Common Market and all this...

BARALL: And into the economic mainstream. The Common Market hadn't...

Q: That's right, it was before the Common Market. What was the attitude of the other officers towards Franco? I mean, here was a regime that really, for most Americans, kind of smelled. It was the last remaining major country that had a Fascist regime. We had military interests there and all, but still it was sort of a noxious regime in the eyes... What was the attitude and the feeling of the officers, the Americans that you worked with there?

BARALL: The Spanish Civil War ended in 1939, and I'm talking about the period 1957 to 1960. Time had worn much of the animosity, and there were no acts of brutality that you could see, no acts of government oppression. I think the people in the embassy generally accepted, some may even have been favorable towards Franco. You don't have any problems with a guy like that in charge.

To give you an example, one of the terrible public relations problems the embassy had was all the GIs, all the airmen and whatnot, stationed in the Madrid area. And, of course, as they do everywhere, they would occasionally get drunk and they would drive cars. They had cars when the Spaniards didn't have cars, and there was a lot of jealousy about that. But they also might hit a pregnant woman and kill her, or cause her to lose her child or something.

And even though there was censorship of the press, sometimes that would be put in the press. It depended on whether they wanted to slug us that day or not. There was a Minister of Information who decided.

We wanted to have good relations, and we sometimes were able to avoid the unpleasant publicity. We tried to keep the United States from being pilloried unnecessarily in the

press. Some Americans found it quite convenient to deal with a government that could control such publicity.

We did have a big military mission there, headed by a lieutenant general, and a military aid program.

Q: Did we feel at this time that if Franco left, that God knows what would happen and maybe the Marxists might take over? How did we feel about it?

BARALL: I think it was clear that the Marxists were totally disorganized and demoralized, and that they didn't appear to be a threat. We followed that kind of thing casually, even in the AID program. My responsibilities included supervision of labor reporting. Some of the people our labor man talked with might have been labeled radicals or Marxists or whatnot, but they had no real influence, even if they did some work of organizing people, as a labor union does. So long as they were acting as a labor union, they didn't have much authority or power because the government could squash it anytime it wanted to. But we had some contact with people like that, and they would tell us things.

But, as I say, you didn't see or feel police brutality. There was almost no crime because the people knew that crime was going to be dealt with severely. And the Spanish people appeared to be very honest and trustworthy. It was easy to become fond of Spaniards working with you, or servants, who were devoted and dependable. Much more competent than the equivalent in Latin America.

I think one of the big gaps we had was the lack of information. With censorship of the press, you had a Catholic press which would tell you everything about what was happening in Catholicism, but it didn't tell you much about what was happening elsewhere in the world. So you'd get the Herald Tribune, the English edition, flown down regularly. But it was very difficult to get information about what was happening in Spain, because that didn't appear in the papers.

As a matter of fact, I had a particular problem. When they convinced me finally that this was the job for me, I said, “Well, I think I can handle economics, but finance, that's a special field, and I'm no expert on that.”

The personnel man said, “Don't worry at all. Two men in the AID program—one a former professor of money and banking, Ph.D., and the other a professor of finance, Ph.D.—will give you all the information you need.”

Well, that proved to be all about as wrong as could be. Spain did not have a press that revealed anything and there were no journals or magazines telling you what's going on and publishing statistics and all that. So you had to go out and talk to people—if you could get someone to talk to you. These professors couldn't speak Spanish, and I could. So I ended up doing the financial reporting myself.

I got to know the head of the Bank of Spain quite well. Bought him a lunch about every two weeks at The Jockey, the best restaurant in town, in my view. We had a martini and a nice luncheon with wine, and we talked. He told me about what was going on, and I would report back information faithfully to the department so everybody could know about it.

John Lodge was no great economist. He would go around in the regular staff meetings and ask the staff what's going on. He might argue if he didn't like what you said or even subject you to ridicule. I tried to keep him and the staff informed. But sometimes I had to resort to a spiel of economic mumbo jumbo. He stopped calling on me.

But he gave the DCM, Park Armstrong, a terrible time. I arrived in Spain about a week before Armstrong. And when I called on Lodge, he was steaming because he was reading an article from The New York Times which listed political Ambassadors who were unable to speak the language of the country. It said John Lodge was in Spain and he knew no Spanish. That was all wrong. Lodge was absolutely right. He was almost bilingual in

Spanish, he told jokes, he spoke colloquially, and he could make a wonderful speech in Spanish. So that was very unfair.

But Lodge also said, “Furthermore, I've been put through the paces by the former DCM. This is Park Armstrong's first post. I am more experienced than he. I'm going to run the embassy.”

Ambassador Lodge, with his fluency in Spanish, knew what was going on. He talked to people, and picked up a lot of inside information that was, of course never published. Armstrong, who didn't speak Spanish, couldn't keep up with him and, in fact, the Ambassador ran the staff meetings and the embassy. But it should be the work of a DCM to coordinate staff reporting and work and this fell by the wayside.

Q: Just to give an idea of how the thing worked, what happened to Armstrong after?

BARALL: Well, he had a nervous breakdown while there. At least, he was hospitalized for awhile and nobody knew exactly what it was.

Q: Well, your next assignment then, you went back to Washington where you were to spend a considerable amount of time.

BARALL: No, at that time I spent only two years.

Q: Oh, two years. And you were deputy assistant secretary for economic affairs from '60 to '62.

BARALL: Until 1960 there was only one Deputy Assistant Secretary. I was the first of the multiples. Les Mallory, the other deputy was about to leave when I arrived.

The assignment was due to Under Secretary Douglas Dillon and his recognition of the fact that there were lots of stirrings in Latin America. The president of Brazil had written a paper, that he called “Operation Pan-America,” that recommended a vast assistance

program. They were already in the process of creating the Inter-American Development Bank. And Dillon personally carried through the creation of and the signing of something called the Act of Bogota, in 1960, with Latin Americans, where the United States pledged for the first time $500 million (this was real money at the time) for economic assistance to Latin America.

This was a year before the Alliance for Progress. But it was a sort of precursor, in response to all the complaints from Latin America about aid. “You had the Marshall Plan. You're helping everybody else. What are you doing for Latin America?”

And so Dillon got that through, $500 million. We took $6 million for AID administration and personnel, but $494 million of that was given to the Inter-American Development Bank; the first money they had. It created the Social Progress Trust Fund, giving the bank a very important sum of money that they could use for social purposes in Latin America.

In my new job I was dealing with the bank. It happened that Felipe Herrera was the first bank's first president, a Chilean. He was one of the negotiators on the old copper deal. We were friends.

Q: What was your impression of the effectiveness of this Inter- American Bank?

BARALL: Well, this was a big hurdle that we had to cross, because everybody felt that the Latin Americans wouldn't run the bank on a technical basis, with some administration. It was believed it would resort to cronyism, and, as everyone knew (it was thought) Latins don't know how to run a bank. But it had to have a Latin American president because it was a Latin American bank.

We had helped write the charter so that there was an American executive vice president, because we were far and away the largest contributor, as we are in everything else. Even though we are a minority contributor, we seem to be the largest single contributor for all international organizations.

The first executive director was Braden Upton, who had been Assistant Secretary of the Treasury for International Affairs. He knew money and banking. And he knew some Spanish, because he visited Latin America, and was serious about learning Spanish. His wife spoke Spanish too. Very attractive people.

But they weren't able to keep up with a young, vigorous and clever man like Felipe Herrera, who had been head of the Central Bank in Chile, and knew about Latin America and its politics, and knew how to maneuver.

So he reduced the importance of the US executive vice president considerably from what we would have preferred. We would have liked to see somebody who had a sort of equal power. But Felipe Herrera was strong, powerful and competent. He made the bank a real Latin American institution. And successors have been pretty well selected—a former finance minister of Mexico, for example, and people like that. The presidents have been competent and, though the staff may be too large (as in the State Department) the bank has been successful.

Q: So your impression was that: Ok, we're not quite getting it the way we thought it, but the final outcome is where we want it to be.

BARALL: That's right. And in large part because some outstanding people have been selected. The present man, who's named Iglesias, is highly regarded by the US He is a Uruguayan. A very competent, outstanding man who has made great efforts to improve the economic condition of Latin America, and somebody in whom we had a great deal of confidence. When you get a man like that in as head of the bank, he's going to run it competently.

In general, the bank exceeded our expectations. That doesn't mean that there isn't a little bit of hanky panky, in friendship and so forth. And maybe not all loans are wise. But not all

loans made by the World Bank or the Export-Import Bank or the US Savings and Loans are all so good either.

Q: You were there in the ARA bureau, Latin American bureau, from '60 to '62, so you were there during the Kennedy administration.

BARALL: Right, they inherited me.

Q: How did this work? I think the change of administration, particularly when two parties are changing jobs, can be very indicative of how things work. How did you see this at ARA?

BARALL: Worked disastrously for me. Up until this time I felt that I had been selected for this job as a technician, not somebody with political clout and not somebody who's going to try to do anything to satisfy domestic political needs, needs of the White House. Good leaders like General Marshall would tell us: “We want your honest advice. Don't you worry about the politics in the United States. That's for us to worry about. We want your honest views.”

The Kennedy administration was my first exposure to the obverse of that. Everything was politics; and building up the family and the president.

Let's take the Alliance for Progress. I was at the White House when the Alliance for Progress was announced. The term “Alliance for Progress” had been created by Richard Goodwin, a brilliant Harvard lawyer, who had been an “advance man” in the Kennedy campaign. But when he came to Washington, the first I heard his name was from the press, which asked, “Do you know anything about a guy named Richard Goodwin?”

I said, “No. Why?”

“He called us and asked the press to recommend some good books on Latin America because that's what he was in charge of in the White House!” (Richard Goodwin was a

PR man who dealt with the press. He read 83 magazines a week and tried to read all the newspapers, talk to all the reporters.) He saidhe had coined the term “Alliance for Progress” during the campaign and had some idea that this was going to be Kennedy's first big foreign policy effort, like Roosevelt's Good Neighbor Policy. It would rival that.

But how do you fill the gap between reading some good books on Latin America and being in charge of it? For him, the gap seemed to be nothing. You know, you just read some books and you know all about it.

Well, he tried to run Latin America from the White House. Example: after I'd heard his name, some few days later I get a call: “This is Richard Goodwin in the White House.”

“All right.”

“The President would like to know all about the following problem.”

Well, if the President wants to know, he's got a right to know, so you provide the desired information to Goodwin.

A few days after that I get another call: “This is Richard Goodwin in the White House. The President has considered what you said, and he wants you to do the following...”

Then I had my first falling out with the Kennedy administration. I said to myself, “I cannot do that.” I had unanswered questions and doubts.

Did Goodwin understand what I said? Did he talk to the President in fact? Did the President tell him something?

What I told Goodwin was that I was only a Deputy Assistant Secretary. I have a boss who's called the Assistant Secretary, and he has a boss called the Secretary. I would be exceeding my authority, and would be cutting out two major bosses if I were dealing directly with the White House. I could not take that kind of responsibility. Well, this was

frustrating for Goodwin, but I could not accept elimination of two echelons of power in the Department.

I had another falling out with the Kennedy White House. I was at the March 13, 1961, speech in the East Room of the White House when the President announced his Alliance for Progress. Among other things, he said he expected all Ambassadors to be interested in this program. He was also going to appoint outstanding AID mission directors, and he would expect them to be just as competent and just as good and well-qualified as the Ambassador.

Soon, I received, for approval, the name of the first mission director that they were going to appoint to Ecuador. It happened to be somebody I had known in Chile. He ran a little dry cleaning establishment, played basketball excellently but had never been in an important job, nor made much money. He had little understanding of international economics or its problems, which one would have to know as an AID mission director. He was a great athlete, I knew that. I tried to veto the nomination on the grounds that he was a fine man, but not qualified to carry out the program that President Kennedy set forth in his speech on the Alliance of Progress.

A few days after that, I got a telephone call: “This is Ralph Dungan in the White House.” (Ralph Dungan was then appointments secretary for President Kennedy.) He said, “What's the ideology, pal? What's the matter with our man for Ecuador?”

I said, “No ideology. This is just someone whom I happen to know. And I think the President wants better people, of top quality. This is a major program, and I know that this man is not qualified for the job. That's from my own personal experience.” That made an enemy of Dungan. The nomination was sent forward and my approval was never sought again.

I later discovered (and this was my own fault) that this man had played football at Harvard with Joe Kennedy, who was killed in World War II, and was supposed to be made president by his father, Joseph Kennedy.

But to pin it on me for “ideology,” and consider me against the President because I exercised my right to give an honest opinion, was unfair. This wasn't hearsay. I knew what I was talking about and that nominee proved to be the worst Mission Director in Latin America. Let me be fair by saying there were also some outstanding Mission Directors, like Walter Howe, in Chile, who went on to be Ambassador to that country.

So I had two major enemies early on. To the extent that they permitted, I was able to do my job, the economic and AID job in the Department. We had a lot of international meetings for which I would see that the briefing papers were prepared. I had no problems in dealing with the EX-IM BANK and other US institutions encompassed in the Alliance.

About a year later Goodwin was sent over to State as a Deputy Assistant Secretary in ARA, in the political slot. He lasted only a month. He wanted to do his usual PR work. I understand Ed Martin, who was the Assistant Secretary at that time, just got rid of him. Nothing more was heard about Richard Goodwin, but he came back to help President Johnson in some speech writing.

As I said, he's a brilliant man, but in my view an evil man, an untrustworthy man. I could not deal with him; I will accept that as a weakness on my part. But I had to believe that I could express my own opinion and that I would not be penalized for it in the Department of State, because that's what I was hired to do.

Q: Well, what about the Assistant Secretaries for Latin American affairs? I must say, looking over this, over a fairly consistent period of time, it seemed to be almost a revolving door. I mean, people were in and out.

BARALL: That's very true. Tom Mann was the Assistant Secretary at the time of Kennedy's inauguration. I had the greatest respect for Tom Mann. We had worked together before. Everybody thought Tom was first rate, very competent. But they got him out because he wouldn't talk to anybody like Goodwin. He was “kicked upstairs” to Mexico as Ambassador.

Then we had a big gap. Wimberly Coerr, who was the political deputy, and I, as the economic deputy, held ARA together for six months or so. They were looking all over for somebody to be assistant secretary. But if you've got people like Goodwin and Dungan running things in the White House, nobody wanted the job.

Finally, Adlai Stevenson was on a trip around South America, talking about the Alliance for Progress. He ran into Bob Woodward, who was ambassador to Chile, and soon sent a telegram to the President saying, “I have found your man for Latin America.”

Q: Just Ambassador to Chile. He'd just been there for a very short time.

BARALL: I had seen Bob up in Washington before he went down. I said, “Get out of town as fast as you can. They're looking for an Assistant Secretary.” He had been a Deputy Assistant Secretary years ago, and he would have been a natural for the job. He went down to Chile thinking he had avoided it. When Time magazine ran the story on his eventual appointment, they captioned it: “Number Twenty-Two.” Twenty-one people had turned it down before he took the job. But Bob Woodward didn't last very long, either. And I was mixed up in that, too.

Q: And then he went to Spain.

BARALL: Yes, but I was mixed up in that, too. Here was another problem with the White House.

Brazil expropriated a power plant. There is something called the noon briefing in the State Department. Somebody has to prepare remarks for a spokesman to tell the press. We knew that someone was going to ask a question such as: “How do you feel about the expropriation of an American-owned power plant?” Not US government, but private, American-owned. I think it was the American Foreign Power plant that had been expropriated.

So I prepared a statement for Bob Woodward. It said, “We recognize the right of every government to expropriate, subject to prompt, adequate, and effective compensation. And the government of Brazil has promised prompt, adequate, and effective compensation in this case. We cannot be against it. But what have you done to help yourself if you've used existing resources to buy out something that already exists? Would you not be better off under the Alliance for Progress if you use your money to create something new?”

I told Bob Woodward, as I handed him the suggested remarks, “This is dynamite. Consider it very carefully. This can make waves.”

He read it, after the warning, and said, “I'll make it, very prudently.”

The statement was made at noon. At 2:00 P.M. Woodward got a call from the President himself: “Who authorized that statement?”

He said, “I did.”

“It's not what I want from the Alliance for Progress.”

Evidently we wanted the Alliance for Progress, from the White House, to be Big Brother, donating and giving. There was so much talk about how much money we're going to give them and very little talk about what they have to do by way of self-help efforts to make the application of money useful and effective. Soon thereafter Woodward's transfer

as Ambassador to Spain was announced. Then Ed Martin was moved from Assistant Secretary for Economic Affairs to Assistant Secretary for Latin America.

At that time, Secretary of State Dean Rusk had sent my name over to the White House to be Ambassador to either Venezuela or Uruguay. It went to Dungan and Goodwin, the two Latin American “experts” over there, who refused to forward the nomination to the President. I was told by the Under Secretary for Administration, a competent political appointee, that the Secretary didn't accept this. He didn't accept the idea that two men on the President's staff could veto a recommendation of the Secretary of State, believing that only the President himself should do that. The Under Secretary said Rusk went over to the White House and had a big discussion about this issue. And he lost!

I reacted strongly to this information. I was close to fifty years old, and had almost 20 years of service, so I could exercise my option for early retirement. I had a standing invitation from a corporation that if I ever wanted to make a change, think of them. I contacted the company to see if their offer was still in effect. I retired from the government at that time. I signed a 2-year contract to serve as a vice-president of the international company, in Switzerland.

Q: What type of work were you doing?

BARALL: I was vice president for AMF International, which manufactured automatic machinery of various kinds, including turnkey factories that make tobacco products, or bread, with hardly any personnel. I had two happy years, with much higher pay.

Q: How did they get you back in?

BARALL: After the Kennedy assassination, Tom Mann was called back by President Johnson to be Assistant Secretary again. I wrote to Tom and said, “The men and issues in foreign affairs are more important. If you want me to come back, I will.” He checked it

out. There is a provision in the Foreign Service Act where the Secretary of State, without approval of Congress, can recall a retired Foreign Service Officer.

I was recalled and again assigned to ARA, working on inter-American affairs. They were then creating something called CIAP, the Inter-American Committee on the Alliance for Progress, which was supposed to give the Alliance direction and make sure that everything was done right. Walt Rostow was our first representative. He was also head of the Policy Planning Council. To help him do both jobs, I became his deputy on CIAP. This was only at the organizing stage. I went through the organization and establishment of our part of the committee, went to its meetings and helped Rostow as well as I could.

Q: Today is May 22, 1990. This is the second interview with Milton Barall concerning his career. We last left off where he was dealing with the Alliance for Progress and the OAS from 1964 to 1967. What was the name of the organization that was dealing with this?

BARALL: There was, in the charter of Punta del Este, a group called “The Nine Wise Men.” They were presumed to be able to judge a country's development plan. And if they approved it, presumably lending institutions and other organizations, including the United States government, would be willing to provide funds in support of the judgment of these nine wise men. They certainly did not command the attention that was expected of them. Institutions, especially lending institutions with their own boards and their own loan officers, tend to make up their own minds. So that didn't work.

Q: Where were these so-called wise men coming from?

BARALL: Well, they were sort of part-time employees of the Organization of American States. They were generally professors, most of them, and mostly Latin Americans. A few of them were political figures in Latin America. But no one outstanding. They were hired on a contractual basis, but I don't know whether they were given a yearly stipend or were

paid only for the times that they worked. They were not all in the Organization of American States, some of them had offices there.

When that mechanism didn't work, the Organization of American States and the United States government created an organization that would have greater authority and be more meaningful in the process of judging and approving a country's development plan. CIAP (that's the Spanish acronym for the Inter-American Committee on the Alliance for Progress), was designed to be prestigious enough to command respect and run the Alliance.

The first US representative to that organization was Walt W. Rostow, an internationally known economist who was certainly of the stature that would tend to give credence to the findings of such a group of men. Walt Rostow had been the head of the National Security Council. At the time he was given this job as an additional duty, he was also head of the State Department's Policy Planning Council.

I had just come back from retirement, and they assigned me as Walt Rostow's deputy, I suppose because of all my experience in Latin America. He had another deputy for the Planning Council. Each of us had an office next to Rostow to help him with his dual responsibilities.

The Latin-American members of CIAP were of equal caliber. They were, for example, Rodrigo Gomez, head of the Central Bank of Mexico, or Luis Escober, former Minister of Economy of Chile, people well-known in Latin America. If anybody could have given credence to the findings of a Latin American group as a whole, that was it. The chairman of CIAP was Carlos Sanz de Santamaria, former mayor of Bogot#, Colombia, former Ambassador to the United States, former Foreign Minister of Colombia. A man of stature. People listened to him.

The most important mechanism through which this group operated was called the country review. It was run at the Organization of American States, in its Washington offices, which

provided the principal staff. The other participants were the international community in Washington interested in Latin America. The AID (or the ICA or whatever name it had at the time), the US aid agency, was an important participant at each of the country reviews. The International Monetary Fund was there, the World Bank, the Inter- American Development Bank, and there were some observers from other countries and institutions.

There was a fairly good, searching inquiry into the development plans of the country under consideration, which was generally represented by the Minister of Economy, the Minister of Planning if they had one, sometimes the head of the Central Bank, but someone in a position of authority. And if it didn't produce any other results, at least it led to a concentrated study of where the country was and where it ought to be going in the economic and social development process. It was a good exercise even if it didn't entirely bring the results that were anticipated.

Walt Rostow was not the only member of CIAP who had another job, almost all of the others did too. Carlos Sanz de Santamaria would preside over the country review and there would always be at least one other member. Although hypothetically there were not supposed to be substitutes for the principals on the council, I was allowed as an exception, because they knew Walt Rostow was busy, to sit in on most of these reviews instead of him. The country review took almost a whole week.

As a matter of fact, the late Walter Sedwitz (then Assistant Secretary OAS) and I had dreamt up this mechanism in earlier years and tried to use it, but it wasn't successful and didn't have the high-level participation it gained when it came under CIAP auspices. CIAP had clout because of the quality of its members.

However, because each of the lending institutions had its own deciders and policies (and the United States government was not different from, let's say, the International Monetary Fund), the United States might make a poorly planned loan, because of political needs, or because we felt that that particular government needed shoring up—the alternative being

even worse. And in the case of the lending institutions, they had their own priorities and their own boards of governors or directors, and they had to come to their own conclusions. So, if you got a good send-off from the country review and the people sitting around the table, that didn't necessarily bring you the result of all the money you wanted. Self-help was more of a factor than it had been but no single organization can make decisions for governments and independent institutions.

Nevertheless, as I said, there was some use to it because it tended to concentrate the country's plans and thoughts, and it provided a place where a dialogue could take place. Unfortunately it's customary in the inter-American system, that nobody ever really gets criticized, nobody says a bad plan is a bad plan, and you should be doing this, that, or the other thing.

Q: Is this almost endemic to anything in the..., the system is sort of non-confrontational?

BARALL: That's right. And that's the reason that you don't get Latin American problems solved in the Organization of American States. They will not take on each other. They may occasionally take on the United States and criticize us, but they tend not to criticize each other. Sometimes they say, privately, “We're on your side.” But back home, “We have political problems!” My answer to that is: We've got the same problem, you know. We really think you said the right thing, but the people in our Congress, don't like that at all.

Q: The State Department has been using Congress for probably at least two centuries, as far as saying: Well, you know, it's not our fault, it's Congress's fault that we don't get this. Well now, a couple of things. How focused was Walter Rostow on this? How did he manage, and how effective was he in his role?

BARALL: Given the limited participation in time-consuming things like the country review, which lasted a whole week, by the way, and people sat for a couple of days in advance doing the paper-work, Walt didn't have the possibility of doing it at that time. But as an economic historian, he did know a lot about economic development, and without knowing

the details of the country or its development program, he could talk knowledgeably about the overall picture, the overall measures that countries ought to be taking in order to move the development program forward.

One of the things he kept talking about much of the time was what he called the “national market.” That is, instead of just exporting goods, develop a market right within your own country and let the people get the benefits from your own production. And that went not just for a country national market, he was also in favor, for the same reason, of any kind of economic integration with respect to common markets, or common external tariffs, or free trade areas, anything of that nature. The Latins agreed with him but they did very little about it! He argued that the Latin American countries were isolated from each other and that therefore they all were export-oriented. They were facing toward the United States or Europe or other markets and not dealing with each other. So that if you wanted to manufacture something that needed a market, there wasn't a ready market in Latin America.

Q: How about the lending institutions?. These were, what, mainly American and European banks?

BARALL: The principal ones were a) the Inter-American Development Bank, which was created just before the Alliance for Progress under the Eisenhower administration. It came into existence in 1960, just before Kennedy was elected. It became an important mechanism in the system because it was, for the first time, a Latin American-directed international bank. We put in the most capital (as we do in almost all institutions), but the president of the bank was a Latin American, and the heads of departments were primarily Latin American. In other words, we did not run it. And it was going to play an increasingly important role in making loans to countries of Latin America.

The others were b) the International Monetary Fund, which used to have a very important role. I don't know whether it's changing now; they may be swapping places with the

World Bank. But it had the role of trying to advise countries on how to straighten out their economic problems. And they dared to give advice. Not public advice, not anything critical that they would say openly, but they were fairly frank with the government because they negotiated what they called standby loans, that is loans to a country to help it reform its economic system and pursue fiscal and monetary reforms that those countries were supposed to bring about. So they were a very important institution.

And c) the World Bank was very important because it had much money, even at that time. It started with $30 billion dollars, and it's up to, I think, $120 billion of loan money now. So that's a very important institution. It was also able to make soft loans in terms of interest payment, fifty-year payout and things like that. But it was project oriented rather than just seeking reform. And, of course d) there was the US AID program.

Q: Were they going in different, I mean, were you and the inter-...

BARALL: It's not just inter-American, because the International Monetary Fund and the World Bank are world institutions. And, of course, the US has wide interests.

Q: Did you have a feeling you were going in different directions?

BARALL: No, I don't think so, they were complementary rather than competitive. Each had an Assistant Secretary. The Fund, for example, had an Assistant Secretary for Latin America, a Chilean. And the World Bank had someone, a Vice President I think he was called, in charge of Latin America. I would make it my business to know them, when I was in a position of responsibility working on Latin America, and they would want to know the United States government because they wanted to swap information.

I sought out the Fund Assistant Secretary, who was an old friend. We talked very frankly and confidentially about what the Fund's policies were and what the US policies were and how could we coordinate them to get the best improvement in the economic performance of the country under discussion.

And it was almost the same thing with the Bank. Krieger Vasena, an Argentine, was the Vice President for Latin America. He was a former Minister of Economy. I knew him, and we used to talk almost as frankly as with the International Monetary Fund.

The International Monetary Fund was key, because it was in charge of overall economic reforms. If a country was not acceptable to the IMF it would probably be turned down for any loan. The World Bank would be talking about a project loan, and therefore we had to decide whether we should vote in favor of building a road or a dam or a power plant. But it wasn't as key to the overall process as the International Monetary Fund, where we were talking about economic reform and doing a better job for the country.

Q: Were there any countries that were particular problems in the period you were dealing with them?

BARALL: Well, this was really still in the '60s, and all of Latin America was feeling left out. They felt that Alliance for Progress aid was tapering off without serious change, whereas the Marshall Plan was fine Europe and they were all thriving and doing well; and that we had never had any major program for Latin America. Of course the post-war problems of Europe and the structural problems of Latin America were not at all the same!

Nevertheless the US did have, in the Alliance for Progress, a major aid program. If it did not achieve its overblown objectives it was mostly due to lack of self-help! Dillon also became a key actor in the Kennedy administration. He was made Secretary of the Treasury, and the Treasury has an important voice in any meeting that's going to dish out the money (and they should have). The Treasury representatives were always a very important part of any US delegations, not only in the country reviews, but also in meetings of the Inter-American Economic and Social Council, which was a part of the Organization of American States; the Economic Commission for Latin America, a U.N. organization which became the model for similar UN Commissions in Africa and the Far East.

The Economic Commission for Latin America was run by a Latin American, a man named Raoul Prebisch, a former head of the Central Bank of Argentina and a man who gave much of the complaining attitude to Latin America. He considered Latin America to be throttled by the United States. They were exporting raw-materials to the United States whereas we had a mercantile mentality that didn't allow them to develop manufacturing for export.

Prebisch had come to the conclusion, in the '50s, that if you were going to deal with the problem of unemployment in Latin America, you had to get heavily into manufacturing. In the long run, he probably was wrong in giving Latin America an excuse rather than pushing vigorously for economic integration and wide markets in Latin America.

I think Walt Rostow's idea of manufacturing for your own market was very good for Latin America, creating a situation where the economics of scale would permit you to buy and sell within the Latin American context. Prebisch also supported manufacturing but called it “import substitution” which is more limited and restrictive. Also, you save foreign exchange through import substitution whereas vigorous programs could be much better earners of foreign exchange.

Prebisch called and led the first inter-American meeting that excluded the US in Alta Gracia, Argentina, in 1963. Collectively, but guided by Prebisch, they developed a list of demands on the US and other industrial countries. In 1964, Prebisch, with the rank of Under Secretary in the UN, created UNCTAD, which stands for the United Nations Commission on Trade and Development. That got most of the developing countries of the world to join regardless of affiliation. That is, they could be oriented toward the Communists, or so-called non-aligned, or with the West, but they all reached agreements about what should be done for them.

For example, they reached an agreement that the United States and all industrialized countries should contribute one percent of GNP to the development of other countries. But

when they put the figures down, they discovered that was a very large sum of money and not attainable. Then they changed the number to seven-tenths of one percent. And you still hear that figure quoted when they talk about how much assistance is being provided by countries. The United States, specifically, is criticized for never reaching that seven-tenths of one percent. For us, that would mean something like $3 billion a year, which is probably double our current aid budget.

So all of these things were going on, and CIAP was part of it. But it could not be a directing organization because it only met a couple of times a year. It would meet in Washington or in Mexico or someplace in Latin America. And there was some good high-level talk and advice to the Inter-American Economic and Social Council about what should be done. But there was no follow-up on the part of CIAP and no enforcement of self-help, as foreseen in the Alliance for Progress.

Q: This was during the Johnson administration. Did you get any feel for how committed the administration was, or were they just sort of tied up with Vietnam?

BARALL: I can tell you that President Johnson, personally, was very much committed. I was at a meeting at the White House with all the members of CIAP. The President talked off the cuff for about an hour and a half, without any notes. No one else there but just the members of the CIAP and he.

He said that the Alliance for Progress was a very serious program for him, and that he didn't think it should last only ten years, which was the target of the Kennedy administration. They made a promise that for ten years we would provide at least a billion dollars a year, in support of matching funds of a billion dollars a year from Latin America, for economic and social development. The President said, “I pledge to you now that there is no end to this, no calendar end to the program.”

He also had a summit meeting with the presidents of Latin America, where he wanted to do something big about the Alliance for Progress. But the Congress was in no mood to

appropriate funds. This was around '66 or '67, and it was probably part of Johnson's plan for re-election, before he had made up his mind to withdraw.

The President had sent Linc Gordon and Sol Linowitz around South America in 1966 to see if the prospects for a summit were good. Sol Linowitz had, by then, replaced Walt Rostow as the member of CIAP. But Sol Linowitz was also Ambassador to the Organization of American States, which was his full-time job, and the CIAP was decidedly part-time for him. I was inherited by him as his deputy; sat in the chair for him, and did pretty much the same as I did for Walt Rostow, including supervision of the preparation of US economic-policy papers for all the inter-American meetings.

I accompanied Sol Linowitz for the first part of the trip. In Uruguay, we talked to the new president-elect, a man who died shortly thereafter, and his foreign minister-designate, it happened that there was a meeting of foreign ministers about another thing (I think it was economic integration), and we were invited to meet with all the foreign ministers.

The message I heard, in Spanish, was clearly: If you're going to have a summit meeting, it has to be very well-prepared in advance. You have to have everything agreed to. There has to be funding. There has to be organization. And I sensed that the ministers were negative. Other people put a different interpretation on what they heard.

Sol Linowitz then split off and went up the west coast. I joined Linc Gordon, in going to Argentina, where we met with the Foreign Minister and the President Ongania. Then we went to Brazil, where Linc Gordon, who had been Ambassador there, knew Marshal Castelo Branco, who was President. We had about three and a half hours in his office, just the three of us, talking about economic development, mostly in Portuguese, and about a possible summit.

I heard the same message as in Uruguay. In both cases, I drafted telegrams about what was said. The Foreign Minister was not present in Brazil, just the marshal himself. I heard

the same negative: If you're going to have a summit meeting, there has to be something already agreed to in advance that you're going to be able to announce as a result.

Then the two teams joined forces and met in Venezuela. Gordon and Linowitz called on the President but I was not included. After we returned home, Linowitz and Gordon were invited by the president to come to the White House to tell him what the results were. I don't know whether they were playing politics. Perhaps because they knew the president was very anxious to have this meeting for his domestic political purposes. They reported that Latin-American leaders wanted such a meeting!

It was held. It was a dismal failure. We had looked at Punta del Este as a possible site, because, off-season, you can put up a lot of people, and presidents are accompanied by a big entourage. It was held there. But hardly anybody knows about it, since nothing happened. It was not carefully prepared in advance. There were no agreements. We had nothing to agree about. We had nothing to offer.

Q: This is one of the lessons that we have to relearn each time, that summit meetings are only good if you want to enforce what has already been agreed to.

BARALL: That was clear to me. And it was clear to all the leaders of Latin America that I talked to, the Foreign Ministers and Presidents. But I was not asked to advise the US President. And God knows what I'd have said if I were sitting alone in the office with the President. You know he wants this. Am I the guy...?

Q: President Johnson was a pretty overpowering person.

BARALL: He was a towering and overpowering man. And conversation with him was largely a monologue. So I don't know what I would have done if I'd been in the office.

Q: On this period, I wonder if you could comment on two things. One, the effect of our intervention in the Dominican Republic. And the other one, somewhat akin but not completely, the role of Cuba in our thinking and how it played.

BARALL: Cuba represented a threat the same way Nicaragua was built-up by President Reagan as a tremendous threat: They're going to march up there and conquer all of Central America, next they'll take Mexico, and then they're at the borders of the United States. This was the tiny country of Nicaragua with three and a half million people or so. Cuba is a little bigger, and it's got ten million people, but the threat was not military. The Cubans, acting as surrogates for the USSR, were trying to win supporters of the centrally-planned economy.

At that time, people in Latin America had the capability of threatening us by saying: “Well, you know, if we can't make it your way, we'll jump into the arms of the Communists.” I think George Kennan gave the right answer to that a long time ago. If you get faced with that question, the answer is: “Go jump,” because nobody really wanted to undertake that kind of system. The Cubans were dominated by a Communist, so they ended up with a one-man dictatorship the same as in Africa, where many of the countries are socialistically or communistically oriented. And this is a great mechanism for somebody who wants to exercise full power all by himself. Theoretically he is the government. That's the Communist way of doing things.

But the Dominican Republic was another deal. I was in on that partly, because I was sent down as part of a delegation a couple of times to look things over. For a time there was chaos in the Dominican Republic. The troops were finally sent in under the fig-leaf of a Brazilian commander and under the aegis of the OAS.

Q: American troops.

BARALL: They weren't all American troops. Because Castelo Branco had been commander of a Brazilian brigade, in World War II, in Italy (this is how he and Vernon Walters got to be great friends), the Brazilians provided the commander-in-chief. Technically, on the books, it was an OAS operation, with a Brazilian military commander, and the greatest number of troops, some 23,000 being American.

But to give the OAS credit, Jos# Mora, then secretary general of the OAS, went down there himself. He acted very sensibly and wisely and helped things get to normal. I give Jos# Mora, whom everybody considered a relatively mild and ineffective Secretary General, a lot of credit for acting like vigorously and constructively. He did it by himself, without sitting around and getting approval from the Council of the OAS, because it probably would have been denied.

That intervention worked out well. It's one of the few that you can justify, because it came after Trujillo, a terrible dictator was overthrown and the people had no way of governing themselves. So Caudillos were maneuvering and fighting to take over the country after Bosch was thrown out.

Balaguer became sort of a perennial president (And this is going on right now, another election between the two. Nobody knows who's going to win, or who has won, or how you count the ballots.) But Balaguer had been one of Trujillo's puppets. Trujillo had installed him as president. Nobody was de facto chief of state except Trujillo. But Balaguer or Trujillo's brother or somebody was nominally chief of state. Balaguer was a much more sensible man. He knew much more about government.

At that time, Bosch was anathema to the United States because he was a very left-wing, probably unbalanced man. At least that's how we looked upon him. He was not a sane left winger. Unpredictable, and certainly would have been awful for the Dominican Republic if he had become president.

But Balaguer was elected president, and he did lead that country to a sort of democratic process. He's been President almost all the time since then. But he did lead the country to elections. When he was defeated, he stepped down, and then ran again and was elected. At least they have a democratic change of government that's not done by fiat, nor do you have the same leader eternally.

The Dominicans, a quite backward and underdeveloped people, have been trying to do things by way of economic development. Mind you, you start on the Island of Hispaniola with Haiti and the Dominican Republic always the two most impoverished and backward countries. Haiti at one time was even considered ahead of the Dominican Republic, because the people had nothing there except what the dictator allowed to flow to them. The Dominican Republic has much better land. Haiti is full of mountainous, non-producing land, and the Dominican Republic can produce much, much more—sometimes with illegal Haitian labor.

The Dominicans have been doing something serious. They're still far from out of the woods, but I think that intervention paid off. Haiti is still wallowing in uncertainty and bad, self-appointed governments.

Q: Then this was not a major setback as far as your dealings with the other Latin American countries at that time.

BARALL: To the extent that there was a cover of the OAS leadership and a Brazilian commander they couldn't blame just the United States. They could blame the United States because we did provide most of the troops. But it was not a Bay of Pigs fiasco. We had enough troops, and just the idea of a battleship offshore was enough to calm people and to keep a lot of two-bit revolutionaries from trying to get into the act.

Q: Well, now, moving from this. You spent about two years dealing with Caribbean Studies from 1967 to 1969. What were the issues that you were dealing with? How was this set up in your organization, and what were you doing?

BARALL: I got called in by Covey Oliver, the Assistant Secretary. He said, the US wanted a policy study for the Caribbean. In the '60s there were already four major countries that had become independent from Great Britain but there were also associated states, and colonies. The British Caribbean was in a state of change after the failure of the islands to get together in the Federation of the West Indies.

The associated states were somewhat in the same situation as Puerto Rico. That is, they had self-government up to a point, but Great Britain was in charge of foreign affairs and defense, as is true for the US in Puerto Rico. They complain that they're subject to some of the laws of the United States, but in Puerto Rico we collect excise taxes on the rum they ship to the US and we send the money back to Puerto Rico. It's their money. They're not subject to the US income tax.

And they are self-governing. The British Islands, like Puerto Rico had the capability to move on into independence, and the British island have since. They are countries of over 100,000 people, with very limited economic resources and very limited manpower resources. I was not given any prescription. I was told by Covey Oliver, “Take a year and look around the Caribbean and tell us what we ought to do.” That was the end of my instructions. I was given the personal rank of Ambassador to facilitate high-level meetings in the Caribbean.

It was a great, great job because I was left alone and I wrote a one-man report, without a committee.

Q: What were your conclusions? What were you reporting back?

BARALL: I didn't build up any staff, by the way. I had one staff assistant and one very competent secretary, and I had some money where I could hire outside consultants.

I had a little help from the outside. And I had help from other US government institutions. The Department of Agriculture write a paper on agriculture in the Caribbean, and the Commerce Department wrote about trade in the Caribbean. And I used all of their statements or papers as annexes to the paper that I finally wrote. I had eleven annexes, two from outside consultants and nine from agencies in the United States government.

One consultant wrote one on education (we didn't have a Department of Education at that time). I also got the Bell Company to write a paper, with some maps and whatnot, on the communications system of the Caribbean and how they were connected with each other, if at all.

Even in Latin America, until not so long ago, you could not talk from one country to another except by using the United States as a relay station. One of the problems in the Caribbean; was the inability to communicate with each other.

Inevitably was they had to get together and do something, because a country of 100,000 people is not an economically viable organization. As a matter of fact, if you take the whole Caribbean together, even if you include the biggest island, Cuba, which is not part of it at all now, you still haven't got an awfully big thing.

They trade with each other in little boats called schooners. There are no container ships, because you haven't got that kind of volume. Maybe for bulk exports you could have container ships, but they've got to have return cargo.

So the problem was: What sorts of policies ought the United States adopt?

I recommended, I think it was obvious, that we support political and economic cooperation among them. Certainly the common market or free trade area, whatever would facilitate trade with each other without economic barriers.

And they have done quite well. As well as they can. If your principal export is bauxite, as in the case of Jamaica, there's no way you can ship bauxite anywhere in the Caribbean. I mean, it's got to go to a country with hydroelectric power or other form of cheap power. There are a couple of mainland countries, Suriname and Guyana, that happen to have very good and cheap water power. I met with a Dutchman named Van Blommestein who thought that water was a tremendous resource. He showed Suriname how to create hydroelectric power to produce alumina from bauxite, the first step toward aluminum. With aluminum you may be using one-thousandth of the ore that you originally shipped. With alumina, it may be ten percent of the ore that you're shipping. And the value increases enormously. Perhaps as an independent country, now, they are making aluminum. I haven't been to Guyana since then, and that's almost twenty-five years ago, but if they were properly governed they should have the same capability.

I recommended things like a Caribbean police force, and I think that was one of the recommendations that they adopted. I was in Antigua once when there were demonstrations and a threat to violence near a big depot of gasoline. We were afraid that someone would torch that and blow up the whole island or kill everybody on it. It's not easy to evacuate all the people on an island. The question I could not answer to myself was whether, if the government, the premier, wanted to put down the uprising, would his 200 man police force start shooting and clubbing their brothers, the demonstrators?

So I recommended that there be a Caribbean police force. If five countries or islands get together, each one contributes a fifth of the troops, who receive professional training that goes on all year round. Then they could be available to serve for public order in any of the 5 countries. It could be even larger than a 5-country force.

I also pointed out that color is a perennial problem all over the Caribbean and racism was going to be a continuing political issue in the area.

I had a section called “Subversion through Corruption.” And this was related to the gamblers and the drug dealers who, as we see in Colombia now, are people capable of being terrorists, or subverting a whole country, or making it impossible to even hold a presidential election because they murder the candidates.

There were also US administrative recommendations for lands moving out of European control into independence. They became part of ARA and members of the OAS. The report was 457 pages, and I can't tell you all the things in there. Twenty-three pages of recommendations alone.

Not through my efforts, but I think the Caribbean, the English-speaking lands, at least, had a very good background and training for self-government, which began a long time ago. Political parties grew out of the labor unions, and the leaders of those labor unions became the heads of state.

They had responsible people, well-educated. Some of them had the “been to” syndrome. They had been to the law schools in London, and other excellent universities, but they came back. Like the prime minister of Barbados, who had been a flyer in World War II, a London law school graduate, a man of very high character and standing. And Doc Williams, who lived in Trinidad and Tobago, but says he didn't know he was black until he came up to the US as a professor at Howard University. Then he discovered it and started to hate Americans because they treated him like a black. (At that time Washington, D.C. was still a segregated city with discrimination against blacks.)

There were movements in the Caribbean. Ras Tafari, was Haile Selassie's precoronation name. He visited Jamaica in the 1930s and was treated as a God.

Q: There was that sort of native movement which was based...

BARALL: They're called Rastafarians now, in Jamaica, and they have braided, oily hair. Some of them look like crazy people, and some of them act crazy. And they did kill a few Americans now and then.

Q: Well, they do smoke something called “bang,” I think.

BARALL: Ganja.

Q: Which is a hemp, or something like that.

BARALL: That was a very interesting assignment, and I enjoyed it very much. I was received by all the heads of state and the prime ministers of the islands that were going to be independent. And I was very much impressed by the words.

I also went to the French area, but they are overseas provinces of France, under the Minister of Interior of France, and I don't think they want to change or become independent. In Guadeloupe there is a movement for independence, that is Communist-led. Not in Martinique. They get so many benefits, because these overseas departments get all the same help that any department of France gets. But there are restrictions, too. If they want carrots, they've got to import them from France. Their education and everything else is under the French system. So they were not an important part of the study and I made no recommendations.

I excluded Cuba deliberately, because that probably is worth a study of its own. And anyway I had no access to them. Any recommendations would be meaningless. Even today, a recommendation would be meaningless.

Q: From 1969 to 1971 you became Deputy Chief of Mission in Argentina. How did that job come about?

BARALL: Well, John Lodge had a healthy skepticism about career people. He had been to Spain, where I had served with him. He wanted to have people he knew and he felt were trustworthy and wouldn't be disloyal to him. So when he was named Ambassador to Argentina, he asked me if I would go with him. I was at a loose end at that time and still had two years to go before I faced compulsory retirement at age 60. Fortunately this stupid law has been amended to allow service at least till age 65.

Q: That's changed, but that was how the rules were in those days.

BARALL: That was the law. Not just the rules, it was the law, and you couldn't do anything about it.

I liked Buenos Aires, it's a great big city. And it's no insult to be Deputy Chief of Mission in a Class One post. So I went along with him, and we worked out to be a pretty good team.

I thought he was a great Ambassador in Spain, because he had no problems working with Franco. Lodge was a born aristocrat, and in Spain he fit in beautifully. He pushed to get Spain into NATO and to break down isolation and become part of Europe and the economic world.

In Argentina, we were in a democratic country, even though they had three military dictators in a row, as presidents. Still, it was a democratic country. The press was totally open, and you could say anything you wanted in the press. And the universities were allowed to teach freely and to expose students to all views. Many of the teachers and students leaned toward socialism. Peronism, a continuing and leading political movement, was named for a dreadful dictator who disseminated populist, unworkable ideas and nationalized much of the economy.

At the time I was there, they had not yet started “the disappeared.” You know, the people who disappeared and were sometimes dropped into the ocean out of a plane or

a helicopter. This began as a reaction to left wing terrorism by “Montoneros” and other organizations while I was still there.

I was told by our CIA man, who was very competent, that at first, the government didn't know about it. The Montoneros (who were like the Tupamaros, the revolutionaries in Uruguay) were assassinating people at that time. They had assassinated former President Aramburu, who was very popular. But he had helped in overthrowing Peron so there was some resentment against him.

Some of the sergeants in the police and the army got together and decided to reply in kind, to kill those Peronists who are killing the military and other leaders. Our CIA man said he thought the President and the government did not really know about this. But, awhile the government became aware and even though it was not proclaimed policy, at least it was tacitly permitted.

Ambassador Lodge was in a difficult position in dealing with these problems. We worked as a team. He was a marvelous linguist. He could deliver a speech beautifully, he had been an actor, and, like President Reagan, he worked very successfully with 3 x 5 cards. The PAO and I programmed him to visit all the provinces. The people of the provinces and the governors were very happy. They'd never seen an American Ambassador. He visited them and was treated royally. A very attractive man, he gave speeches and shook hands and the people had parties.

And that left me to run the day-to-day embassy back home. We were a good team. I used to say: “One show horse, one work horse.”

Q: What were America's major issues with Argentina at the time?

BARALL: We had no really great issues with them. We were friendly. We wanted, of course, to see a democratic government, but it was not our business to tell them, and we didn't deliver that message.

We were sort of allies in looking askance at the Allende administration in Chile. And the Foreign Minister, de Pablo Pardo, had been Argentina's Ambassador to Chile. He asked for a special liaison with the US Embassy, where we could discuss the problems of Chile and exchange information, but not acting together. He named an Under Secretary, and I was named for the embassy. We met a couple of times but I also met quietly, occasionally with the Foreign Minister, who had been a professor of international affairs. Before he was named, I sought him out as an “eminence gris” at the Foreign Office. We used to lunch together and discuss foreign affairs. I was the only one in the embassy who knew him then.

My source of information was that CIA man, who went over to Chile regularly to get information, and also (in a legal way) to bring back money at a free rate of exchange. This was with the permission and the knowledge of the Argentine government.

This man, who subsequently became head of the CIA in Vietnam, and was really one of their most effective operators in the world, was dependable and of absolute reliability. In Argentina a Braniff airplane had been taken over by some cuckoo with a gun. Our CIA man, at the risk of his life, went onto that plane and talked the man into surrender.

One of the things he told me after a visit to Chile was that the US had nothing to do with efforts to overthrow Allende.” We had, certainly, an input. We tried to keep his opponent from being defeated, by contributing money. But the congressional investigation showed something like a total of four to eight million dollars. You can't buy a Chilean election for that kind of money—they're much more expensive.

So we didn't win the election. I think the Chileans lost it themselves because Frei, who was the president, and the Christian Democrats didn't put up a good candidate. They put up a man named Radomiro Tomic, who was wild-eyed and maybe to the left of Allende. It seemed to me that the people of Chile came to the conclusion that “if we're going to

have a Communist, let's get a real one, not someone who's masquerading as a Christian Democrat." And so Allende won the election in spite of our efforts.

I am thoroughly convinced, that we did not overthrow him and did not murder him. I think, in harmony with conventional wisdom, that he did, in fact, commit suicide.

Q: Well, you're looking at it. You're an economist. Why is it, here is Argentina, which is not, maybe it's the wrong term, but not stuck with a large indigenous Indian population which has its own problems and all. I mean, here...

BARALL: It's the best educated country. Argentina and Uruguay, far and away the best educated countries.

Q: I mean, wonderful country resources and everything else. Was it working then? I'm talking about economically at that point.

BARALL: I'll give you a facetious answer first. The Argentines tell the same story about themselves as the Swiss. They say: "God gave us this wonderful country, all this capability, with mountains and lakes and rivers and arable land and whatnot. And to even up the score, he put the Argentines here."

They don't get along with each other, although they're mostly of European background. At the beginning of the 19th Century, there was a great wave of immigration from Italy and Spain. And there were a lot of people who came with some Socialist notions. This led eventually to something called Peronism. And Peronism is the reason why they are not able to be economically or politically sound. Peron nationalized to put his people on the public payroll.

Peron became Minister of Labor in 1945 and then parleyed that up into becoming the President of the country. He called his followers the Shirtless Ones, and he wanted to put a shirt on their back by putting them on the government payroll. So that you've got in

the railroads about six times as many employees as you need to run them. Peron very stupidly paid a lot of money to buy the railroads from the English, whereas he could have got them for nothing if he had just put a little pressure on them, because they were losing money due to government regulations and pressure. Then he proceeded to exaggerated government.

They took over steel plants and power plants and a lot of things. A state-controlled economy. So that leads to black market operations. It leads to currency being sent abroad. It leads to lack of initiative. Now they still have a lot of wonderful farmers, and they produce agricultural commodities for export. But by double invoicing or whatnot, they don't let the money come back into the country, in most cases.

I was there just last February. A friend of mine, a banker, arranged a special lunch with the head of the stock exchange, a general, a big businessman, a leading economist, etc. in the boardroom of his bank. I said I had read in the papers, in the United States, that the rate of inflation was currently five thousand percent per year. I asked if that were possible, how can a country live with that?

After consultation he replied that it was probably more like eight to ten thousand percent. The funny thing is that the present President, Menem, is a Peronist. He was elected by the Peronistas. Yet he is trying very hard to do everything the opposite way, to get rid of government controls, to cut the public payrolls, and to run the country properly. Whether he makes it or not is very dicey. It's like Gorbachev really. You know, somebody from the inside trying to change the system, and it's a very, very difficult thing to do.

Q: Well, now, at the time (we're talking about '69 to '71), what was the relationship between our military and the Argentinean military?

BARALL: Very good. We had a military assistance program there, a MAG, led by a brigadier general who was on very good terms with the military in power in Argentina. He was not really, technically, part of the embassy, but we gave him an office because

we wanted to know what he was doing. He submitted willingly to direction from the Ambassador or me. He considered himself part of our staff as well as head of the MAG. He was a very good, competent officer, and he wanted to be on the team. We were providing a little military assistance and a little training, that's about all. We didn't have a big military staff.

Q: I've always wondered about these large military establishments, or what seem like large military establishments, in Latin America.

BARALL: Are you talking about the US military establishments?

Q: No, I'm talking about right within a country, the military being so important and taking over, when they don't seem to fight each other very much. Are these necessary? Was our aid sort of perpetuating this over-emphasis on the military at the time?

BARALL: Aid's a funny thing, you know. You have many purposes. The United States never has an opportunity to have a clear-cut decision. You can look at today's newspapers and you see that the President has to balance one thing against another all the time in making a policy. China and the students' rioting happen to be mixed up with most favored nation treatment and other matters. Really, you'd have difficulty making a policy decision on one of them alone, and when you get them both thrown together, they're very complicated.

So you may have to help some of the countries of Latin America even if you disapprove of some of the government's actions, or the government itself. We had diplomatic relations with Allende!. Also, it was always one of the objectives of the United States to standardize US equipment in Latin America, so that if they ever joined us in a war, we could help them arm their troops because they would know about our weapons.

Refusal to help also had its consequences. In Peru, we once turned them down for military assistance. They wanted to buy sophisticated planes from the United States, but we said

no, as a matter of principle. So they went and bought the Mystere from France. So it's not just a nice moralistic decision that you have to make. The question is: What's good for the United States? when you consider all of the problems that have to be considered.

Q: Then you didn't feel that what we were doing in Argentina at the time was inordinate.

BARALL: We were not helping them a great deal. We had an economic aid program, which had been cut down and was eliminated after awhile. So our assistance to them was not very great, no. In any event, it is not wise to disregard the military in Latin America. One reason they are frequently the government is that the army is generally the only institution of national scope.

Q: Well, looking back on this. You left the Foreign Service in 1971. If a young person were to come to you and ask how you feel about joining the Foreign Service today, how would you reply to that?

BARALL: I would say I think it is a much less attractive Service than it was in my day, because it is too big. For example, when I was a desk officer, I felt I had a great deal of authority as a very junior officer. I think people now don't get any of the responsible positions until they're very, very senior.

And we're so highly politicized. I mean, you've got mostly political Ambassadors. What is it, seventy-five percent now are political? And the scrambler telephone may make embassies less important, because Washington can ask for reports on current problems and issue orders by telephone!

A lot of senior career officers don't have fulfilling careers. They seem to be picking the same people over and over again. They go from one important assignment to another one. And you end up with Larry Eagleburger being the Deputy Secretary. He's one of the dependable guys. Maybe it's like Lodge's view: If you find a Foreign Service Officer you can trust, lean on him. Because some of them are not considered trustworthy by politicos.

But you probably know, from your own experience, that once they work at an embassy, they discover that Foreign Service Officers are decent people, very well trained and competent and trying to do what's good for the United States. Some political appointees become great admirers of career people.

Q: It takes three or four years of any administration. We're still going through the suspicious years in the Bush administration.

BARALL: But I would continue my statement by saying: Still, the men and the issues and the things you do are very, very interesting. If you are able to pass the exam, and are willing to stick it out, you will have a very interesting life. It will never be dull. As I said at a farewell party before I retired, “If the government hadn't paid me to do this job, I would have paid it. My great complaint was that I was retired too early, just as I was beginning to understand the conduct of diplomacy.

Q: Well, I want to thank you very much. I really appreciate this. This was fascinating.

End of interview